

BRANDYWINE SCHOOL DISTRICT
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING
AGREED-UPON PROCEDURES

B E L F I N T

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Independent Accountants' Report on Applying Agreed-Upon Procedures

The Honorable Valerie A. Woodruff
Secretary, Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19903-1402

Dr. Bruce Harter
Superintendent
Brandywine School District
1000 Pennsylvania Avenue
Claymont, DE 19703-1237

Dear Secretary Woodruff and Dr. Harter:

We have performed the procedures enumerated below, which were agreed to by the Department of Education (the DOE) and Brandywine School District (the District), solely to assist you, the specified parties in evaluating the compliance and effectiveness of the District's internal control over compliance with DE Code Chapters 13 and 17, Senate Bill 385 and DE Admin Code Section 525. Procedures were performed for student accounting and enrollment as of September 30, 2005. In addition, procedures were performed for authorized positions and occupational-vocational unit Division II funding for fiscal year ended June 30, 2005. Management is responsible for the District's compliance with the requirements related to the above areas.

This agreed-upon procedures attestation engagement was performed in accordance with Government Auditing Standards (2003), issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

STUDENT ENROLLMENT

Agreed-Upon Procedure Number 1: Determine if the District's written policies and procedures for preparing, reviewing and reporting the September 30 student count are adequate.

Finding: The State of Delaware Budget and Accounting Policy Manual states that department or agency heads are responsible for establishing and maintaining an effective system of internal control. Internal control includes five main areas: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. The risk assessment process should include the District's identification and analysis of risks relevant to achievement of its objectives. The objective for student

Finding - continued: enrollment is to report students in accordance with DE Code and Department of Education (DOE) regulations and directives. Brandywine School District utilizes eSchoolPlus, a program developed by DOE, to record and report student enrollment. eSchoolPlus is a relatively new program, and should be included as one of the District's risks for student enrollment. Once risks are identified, written policies and procedures should be developed and implemented to address those risks.

Control activities are the policies and procedures that help ensure that management's directives are carried out. Operating policies and procedures should be clearly written and communicated. Documentation of policies and procedures provides (1) an understanding of the District's objectives, (2) a basis for training new personnel, (3) a means of communicating common information, (4) a source of information about accounting controls, and (5) a source of information that will aid in providing continuity in the event experienced personnel leave.

During performance of the agreed-upon procedures, the following issues were noted in regard to incorrect reporting of students:

- Students that withdrew prior to or on September 30 were incorrectly included in the enrollment figures reported to DOE
- Students that transferred from one school to another school within the District were reported as enrolled in the incorrect school

These issues are attributable to data entry and recordkeeping within the eSchoolPlus system. While DOE has partial responsibility to address these issues within eSchoolPlus, the District remains responsible for correct reporting of enrollment figures and for developing policies and procedures related to:

- Data entry controls, e.g., edit checks
- Exception reporting
- Access controls
- Reviews of input and output data
- Adequate source documentation to support amounts and items reported
- Reconciliations and reviews to ensure accuracy of reports
- Actions taken as a result of communications received (i.e., what the District does when notified by the schools of discrepancies)

Information and communication, one of the categories of internal control, requires that employees' duties and control responsibilities be effectively communicated. During performance of the agreed-upon procedures, it was determined that the school staff was inconsistent in their use of eSchoolPlus and some staff members were unsure of their duties and functions. Monitoring, another area of internal control, requires periodic visits to schools (decentralized locations) and checks performed to determine whether procedures are being followed as intended.

The District has extensive policies and procedures; however, the schools are inconsistent in following the policies and procedures and are sometimes unaware of all policies and procedures. Finally, the policies and procedures do not address key areas, such as:

Finding - continued:

- Data entry controls, e.g., edit check
- Exception reporting
- Access controls
- Reviews of input and output data
- Adequate source documentation to support amounts and items reported
- Reconciliations and reviews to ensure accuracy of reports
- Actions taken as a result of communications received (i.e. what does the District do when notified by the schools of discrepancies)
- Monitoring
- Retention policy of records supporting the September 30 unit count

The above issues result in an increased risk of noncompliance with DE Code and DOE regulations and directives. As shown in the finding for Agreed-Upon Procedure #2, it resulted in actual noncompliance with DE Code and DOE regulations and directives.

Recommendation: District policies would be more effective if they were revised to include the following items:

- Data entry controls, e.g., edit checks
- Exception reporting
- Access controls
- Reviews of input and output data
- Adequate source documentation to support amounts and items reported
- Reconciliations and reviews to ensure accuracy of reports
- Actions taken as a result of communications received (i.e., what the District does when notified by the schools of discrepancies)
- Monitoring
- Gathering and maintaining documentation that supports attendance and reported enrollment figures (medical excuses, transfer/entry/withdraw forms, homebound documentation, documentation relating to children placed in alternative education settings, re-engineered students, etc.)
- Retention policy of records supporting the September 30 unit count

Auditee Response: The district has been piloting the state's new student information system eSchoolPlus. While this has generally gone well, it is simply impossible to foresee every training need and documentation need ahead of an implementation. As the district and the state becomes more familiar with the new system training and documentation needs will be firmly established. However, the reason the state pilots such systems is to learn how to implement state-wide. To do so, districts must be willing to conduct pilots on behalf of the state, even in high stakes systems such as the unit count. Many of the student issues listed below are directly related to issues surrounding the pilot and where there are district errors we acknowledge them. To penalize a district based on the natural uncertainties of a new state system will have a chilling impact on the willingness of school districts to volunteer to pilot systems on behalf to the state in the future.

Agreed-Upon Procedure Number 2: Determine if the District properly reported enrollment figures to the DOE. Calculate the dollar impact of disallowed students, if applicable.

Finding: The Delaware Department of Education's A Summary of Delaware Code and Department of Education Regulations for Student Accounting for the September 30 Enrollment and Unit Computation states:

"...each school shall maintain September enrollment records in a manner that will allow for efficient enrollment audits" enrollment means attending school sometime during the last 10 student attendance days of September or having a legitimate reason for not attending"

During the engagement, the following conditions were found:

School	Condition
Brandywine High School	Our review of the count showed that a ninth grade regular education student transferred into the school on October 17, 2005 and was included in the September 30, 2005 unit count figure. The DOE subsequently allowed this student.
Brandywood Elementary School	Our review of the count showed that the school did not have the required documentation to support a second grade student as basic special education for the September 30, 2005 unit count figure.
Claymont Elementary School	Our review of the count showed that two fourth grade and four fifth grade regular education students withdrew from the school prior to the unit count period and were included in the September 30, 2005 unit count figure.
Concord High School	<p>Our review of the count showed that the school did not have the required documentation to support a ninth grade regular education student's attendance at an outside agency for the September 30, 2005 unit count figure.</p> <p>During our review, the principal provided us with a letter to the district's unit count coordinator and DOE, notifying them that the above student should not be included in the September 30, 2005 unit count.</p>
Darley Road Elementary School	Our review of the count showed that one regular education student was promoted to the fourth grade in June 2005 and was included as a third grade student in the September 30, 2005 unit count figure.

Finding – continued:

<u>School</u>	<u>Condition</u>
David Harlan Elementary School	<p>Our review of the count showed that six regular education students were promoted to the seventh grade in June 2005 and were included as sixth grade students in the September 30, 2005 unit count figure. The DOE subsequently allowed four of these students.</p> <p>Our review of the count also showed that a fourth grade and a fifth grade regular education student withdrew from the school during the unit count period and were included in the September 30, 2005 unit count figure.</p> <p>Our review of the count also showed that a fourth grade regular education student who was not in attendance prior to and during the unit count period was included in the September 30, 2005 unit count figure.</p> <p>During our review, the principal provided us with a letter to the District's unit count coordinator, notifying them that five (of the above) students were not part of the school's student population.</p>
Hanby Middle School	<p>Our review of the count showed that a seventh and an eighth grade regular education student transferred into the school on October 10, 2005 and were included in the September 30, 2005 unit count figure. The DOE subsequently allowed these students.</p>
Lombardy Elementary School	<p>Our review of the count showed that the school did not have the required documentation to support a kindergarten regular education student who was not in attendance prior to and during the unit count period but was included in the September 30, 2005 unit count figure.</p> <p>Our review of the count also showed that the school did not have the required documentation to support a pre-kindergarten special education student included in the September 30, 2005 unit count figure.</p> <p>Our review of the count also showed that a first grade regular education student withdrew from the school on September 30, 2005 and was included in the September 30, 2005 unit count figure.</p>
Mt. Pleasant Elementary School	<p>Our review of the count showed that a kindergarten regular education student withdrew from the school during the unit count period and was included in the September 30, 2005 unit count figure.</p>

Finding – continued:

<u>School</u>	<u>Condition</u>
Mt. Pleasant High School	Our review of the count showed that a ninth grade regular education student withdrew from the school before the unit count period and was included in the September 30, 2005 unit count figure.
P.S. duPont Elementary School	Our review of the count showed that two regular education students were promoted to the seventh grade in June 2005 and were included as sixth grade students in the September 30, 2005 unit count figure. The DOE subsequently allowed these students.
Springer Middle School	<p>Our review of the count showed that five seventh grade regular education student withdrew from the school prior to September 30, 2005 period and were included in the September 30, 2005 unit count figure.</p> <p>Our review of the count also showed that a seventh grade basic special education student who was not in attendance prior to and during the unit count period was included in the September 30, 2005 unit count figure.</p> <p>Our review of the count also showed that a seventh grade complex special education student who was not in attendance prior to and during the unit count period was included in the September 30, 2005 unit count figure.</p>
Talley Middle School	Our review of the count showed that an eighth grade regular education student withdrew from the school before the unit count period and was included in the September 30, 2005 unit count figure.

It is our determination that the above conditions are a direct result of insufficient policies and procedures and inadequate support. The disallowance of these 26 students resulted in the loss of 1.47 regular units and .70 special education units which results in a loss of \$140,750.54 of funding.

Recommendation: Brandywine School District repay \$140,750.54 to the State of Delaware.

Auditee Response: See Appendix

Auditor Comment: See Appendix

Agreed-Upon Procedure Number 3: Select ten percent (10%) or a minimum of five “Individualized Education Program” (IEP) files at each school to verify that each file contains the required documentation in accordance with DOE’s Administrative Manual for Special Education Services (AMSES) and calculate the dollar impact of disallowed students, if applicable.

Finding: AMSES requires the “proper identification of students” and that their IEP file consist of “at least one special education teacher of the child.” We found that all files selected were current and contained the required documentation in accordance with DOE’s Administrative Manual, except as noted below:

School	Condition
Concord High School	<p>Our review of the Individualized Education Program files showed a tenth grade Learning Disabled student was reported as Educable Mental Disabled for the September 30, 2005 unit count.</p> <p>Our review of the Individualized Education Program files showed a tenth grade Physically Impaired student was reported as Emotionally Disturbed for the September 30, 2005 unit count.</p> <p>The school maintained adequate support in each child's Individualized Education Program file for their existing condition. As these discrepancies do not result in a funding variance, the DOE has acknowledged that these students are includable in the September 30, 2005 unit count.</p>
PS duPont Elementary School	<p>Our review of the Individualized Education Program files showed a twelfth grade Trainable Mental Disabled student's IEP file was missing the Special Education Teacher's signature. Further investigation revealed that the Special Education Teacher was in attendance at the IEP meeting. DOE has acknowledged that this student is therefore includable in the September 30, 2005 unit count.</p>

Recommendation: Each school’s special education designee should be verifying that the required elements are included in their students’ IEP files and coordinate with their respective principal to resolve discrepancies within the eSchoolPlus system.

Auditee Response: No response required.

Agreed-Upon Procedure Number 4: Select ten percent (10%) or a minimum of five students enrolled in the Cooperative Education and Diversified Education Programs and confirm that the students’ files contain the required documentation in accordance with DOE’s Administrative Directives and calculate the dollar impact of disallowed students, if applicable.

Finding: The District only reported students in the Diversified Education Program. We found that all files selected were current and contained the required documentation in accordance with DOE’s Administrative Directives.

Auditee Response: No response required.

AUTHORIZED POSITIONS

Agreed-Upon Procedure Numbers 1 and 2:

- Determine if the District's control procedures for monitoring, tracking and reconciling the number of employees are adequate.
- Determine if the District's control procedures for monitoring and tracking salaries charged to the State's general fund are adequate.

Finding: The State of Delaware Budget and Accounting Policy Manual states that department or agency heads are responsible for establishing and maintaining an effective system of internal control. The manual goes on to further state that a well-designed system of controls includes written policies and procedures to ensure that each control objective is met.

The District provided us with a one-page written policy on authorized positions and payroll reconciliation. It is our determination that the policy was insufficient. Insufficient written policies and procedures create a greater risk of noncompliance with DE Code and DOE regulations and guidelines.

Recommendation: The policies and procedures would be more effective if they were revised to include the following:

- References to Department of Education Requirements
- References to pertinent sections of Delaware Code
- Detailed procedures in reconciling actual staff to Division I units
- Monthly reconciliations of their paid positions throughout the year
- Document retention to support their reconciliation process
- A management review process of staff listings and reconciliations including a time frame for completion

Auditee Response: The district is currently developing more detailed written procedures. However, based on the lack of findings of any significance the district strongly believes that its current practices with respect to reconciliation are more than adequate.

Agreed-Upon Procedure Number 3: Compare the number of paid positions by category to the number of authorized positions per 14 DE Code, Chapters 13 and 17.

Finding: When comparing the actual number of paid positions (based on the January 21, 2005 PHRST) by category to the number of authorized positions as determined by the 2004-2005 Position Entitlement Report it was determined that the District was operating below its number of authorized positions by category, for a total of 8.80 under-utilized positions as follows:

Finding – continued:

Position	Authorized	Actual	Variance
Classroom Teachers & Aides	660.98	659.00	(1.98)
Psychologists and Therapists	27.30	27.41	0.11
Custodial units (a)	142.00	135.00	(7.00)
Academic Excellence	40.93	41.00	0.07
			<u>(8.80)</u>

(a) the district subsequently filled these positions

Recommendation: The District should maintain an ongoing reconciliation of authorized to actual positions throughout the year.

Auditee Response: As the auditors note, of the 8.80 units, 7.00 were custodial units filled after the comparison of paid positions based on one payroll in January. The district was well aware that these positions were vacant. Two (2.0) teaching positions were vacant and posted at the time and were subsequently filled. Given this, the district strongly asserts that an accumulated variance of 0.20 of a unit in a district of 1,400 FTE's reflects more than adequate reconciliation of authorized to actual positions.

Agreed-Upon Procedure Number 4: Recalculate the annual salary of the following selected positions to determine if employees were paid in accordance with 14 DE Code, Chapter 13.

Superintendents	100%
Assistant Superintendents	100%
Principals	100%
Directors	100%
Classroom Teachers	10%

Finding: The DOE Salary Schedule for 2004-2005 states that a principal is entitled to an additional annual amount for administration responsibility. Our recalculation found that two principals were underfunded from State funds per 14 DE Code, Chapter 13. A principal with over 60 Division 1 units and more than 4 years of administrative experience was entitled to an administrative responsibility index of .14 for State funding, but only .13 was paid from State funds. Another principal with between 25-59 Division 1 units and 3 years of administrative experience was entitled to an administrative responsibility index of .12 for State funding, but only .11 was paid from State funds. As a result, \$1,006.76 was charged to local funding, that was eligible for State funding.

The DOE Salary Schedule for 2004-2005 also states that an employee is eligible to earn additional salary supplements for gaining skills and knowledge that lead to more effective instruction. Our recalculation found that one principal eligible for a 2% stipend in August 2004, was not being paid that stipend as of the January 21 PHRST report. The district caught this error and corrected it via an EX during June 2005.

All other selected individuals were found to be paid in accordance with 14 DE Code, Chapter 13.

Recommendation: The District should correct its funding allocations.

Auditee Response: The district has corrected the responsibility index.

OCCUPATIONAL-VOCATIONAL UNIT DIVISION II FUNDS

Agreed-Upon Procedure Number 1: Obtain confirmation from DOE if the District was granted a waiver of the 90% requirement to allocate the occupational-vocational unit Division II funding to each school that generated the funding.

Finding: The District chose not to request a waiver from the DOE.

Auditee Response: No response required.

Agreed Upon Procedure Number 2: Review expenditure documents to determine if FY04 and FY05 occupational-vocational funds expended from July 1, 2004 through June 30, 2005 were (1) expended for State-approved occupational-vocational courses and programs within the District and (2) supported by adequate documentation and (3) properly coded in the Delaware Financial Management System (DFMS).

Finding: Chapter 14 of DE Code Subsection 1706 entitled "Determination of Amount of Division II Appropriation" states that Division II funds (occupational-vocational funds) with the exception of Division II – energy funds, shall be allocated to each school that generates these funds and expended to support state-approved occupation-vocational courses and programs at that school. Insufficient evidence to support two items expended to occupational-vocational funding were identified. Our review found an invoice dated June 24, 2004 that had been applied against FY05 funding and was missing the CIP code in the amount of \$2,632.85. Our review also found a service agreement for printers using a CIP code not on the list of approved courses in the amount of \$1,125.00. All other expenditures, relating to FY04 and FY05 occupational-vocational funding, were determined to be (1) expended for State-approved occupational-vocational courses and programs within the District and (2) supported by adequate documentation and (3) properly coded in DFMS.

It was also determined through our procedures that the District is not consistently using the State's predetermined CIP numbers on their occupational-vocational invoices to identify the approved occupational-vocational program to which the invoice relates. It is not readily determinable by reviewing the invoice as to which approved occupational-vocational course the invoice relates. In addition, the risk increases that a non-occupational-vocational invoice will be approved and paid out of occupational-vocational funding.

Recommendation: Brandywine School District should repay \$3,757.85 to the State of Delaware. The District should also be utilizing the most recent CIP numbers on all of their occupational-vocational expenditures.

Auditee Response: The district will repay the state. The district has reinforced internal procedures with respect to CIP documentation.

Agreed-Upon Procedure Number 3: Review financial records to determine if FY04 and FY05 occupational-vocational division funds were properly allocated to and spent by the schools within the District that generated the funding.

Finding: The District office allocates and monitors the spending of occupational-division funds by school to ensure that the school which generated the funding is the school utilizing the funding. The following funding discrepancies were found:

<u>School</u>	<u>State Authorized</u>	<u>District Allocated</u>	<u>Variance</u>
Hanby MS	\$ 36,501	\$ 36,529	\$ (28)
Springer MS	31,032	31,658	(626)
Talley MS	20,851	21,917	(1,066)
Brandywine HS	71,781	70,622	1,159
Concord HS	44,070	43,835	235
Mt. Pleasant HS	51,467	51,140	327

The District estimates their Delaware State funding as part of their annual budget process. The final allocations were received from the State of Delaware March 7, three months after the budget was finalized. No adjustment was made to correct the estimates.

Recommendation: The schools' funding allocations should be corrected.

Auditee Response: The district has corrected these allocations. However, as the auditors note, the District did not receive final allocations from DOE until March 7, 2005 – three months from the end of the fiscal year and three months after the district approved its final budget. If the state expects a precise allocation, it is critical for the Department of Education to provide final allocations in advance of the district's final budget in December.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The report is intended solely for the information and use of the Department of Education and the District and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of Auditor of Accounts, Office of the Governor, Office of Controller General, Office of Attorney General, Office of Management and Budget and Secretary of Finance.

Ballint, Lyons & Shuman, P.A.

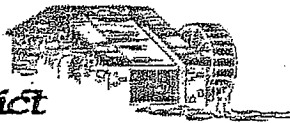
February 1, 2006
Wilmington, Delaware

APPENDIX

DISTRICT RESPONSES *

*Names have been omitted to protect student's privacy

BRANDYWINE
School District



Inspire and Challenge Every Child Every Day

Department of Finance
David J. Blowman, Chief Financial Officer
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CRAIG GILBERT - *President, Board of Education*
JOSEPH BRUMSKILL - *Vice President, Board of Education*
BRUCE HARTER, Ph.D. - *Superintendent*

April 10, 2006

Richard E. Wortmann, CPA
Belfint, Lyons & Shuman, P.A.
1011 Centre Road, Suite 310
Wilmington, DE 19805

RE: Brandywine School District Audit Response FY 05
Student Accounting and Enrollment
Authorized Positions
Occupational-Vocational Division II Funding

Dear Mr. Wortmann:

Enclosed please find Brandywine School District's response to the above referenced audit findings.

If you have any questions or need further information, please do not hesitate to contact me at 302-793-5045.

Sincerely,

David J. Blowman
Chief Financial Officer

DJB/jc
Enclosure

PC: R. Thomas Wagner, Jr., CGFM, CFE, Auditor of Accounts
Valerie A. Woodruff, Secretary of Education, DOE
Bruce Harter, Superintendent, Brandywine School District

Student Enrollment

Agreed Upon Procedure Number 1: Determine if the District's written policies and procedures for preparing, reviewing and reporting the September 30th students count are adequate.

Finding:

The district has extensive policies and procedures; however the schools are inconsistent in following policies and procedures and are sometimes unaware of all policies and procedures. Finally, the policies and procedures do not address some key areas.

District Response:

The district has been piloting the state's new student information system eschoolPlus. While this has generally gone well, it is simply impossible to foresee every training need and documentation need ahead of an implementation. As the district and the state becomes more familiar with the new system training and documentation needs will be firmly established. However, the reason the state pilots such systems is to learn how to implement state-wide. To do so, districts must be willing to conduct pilots on behalf of the state, even in high stakes systems such as the unit count. Many of the student issues listed below are directly related to issues surrounding the pilot and where there are district errors we acknowledge them. To penalize a district based on the natural uncertainties of a new state system will have a chilling impact on the willingness of school districts to volunteer to pilot systems on behalf to the state in the future.

Agreed Upon Procedure Number 2: Determine if the District properly reported enrollment figures to the Department of Education.

District Response:

Mt. Pleasant Elementary School

- 1) – (K) Student stopped attending school on September 23, 2005. Efforts made by attendance secretary to contact family. Grandmother contacted school October 12, 2005 to inform school that student had moved to North Carolina. Child re-enrolled at Mt. Pleasant Elementary January 3, 2006. Presently still attending school at Mt. Pleasant.

The school should have been researching the reason behind the student's absence from September 23rd on. They should have withdrawn the student prior to September 30th if there was no attendance after September 23rd.

Darley Road Elementary

- 1) - (3) Student was promoted to 4th grade at the end of last year. Student records were sent to Claymont Elementary during the summer. Darley Road Elementary could not see the student on the eSchool records at Darley Road. The school had no idea that the student was showing up in the "names behind the numbers" report of the Department of Education.

The student should have gone forward to Claymont but never attended there. The issue here really involves the fact that the student should never have been on Darley Road's report for this year and they could not actually see the student on their records, but did appear as a Darley Road student on the "names behind the numbers" report in the DOE unit count. Neither the school, nor the District Unit Count Coordinator, were given any evidence that Eschool records and the "names behind the numbers" report were not exact replicas of one another.

Concord High School

- 1) - (9) Student was in an outside agency. The school did not receive written verification that the student would return to school on or before Nov. 1st.

Written verification should have been received prior to September 30th to substantiate counting student.

Claymont Elementary School

- 1) - (4) Student was not in attendance in September.
School was not notified that child would not be attending.

There was no attendance on any day in September. Student should have been withdrawn.

- 2) (5) Student attended school regularly until September 29, 2005. The school had no evidence on September 30th that the child would not be returning to school.

The District feels this student should be counted as the school would have had no way of knowing, prior to the end of the day on September 30th, that the student would be absent for anything other than one day.

- 3) - (4) Student inactive in Eschool Plus 6/10/2005.
4) - (5) Student inactive in Eschool Plus 6/10/2005.
5) - (5) Student inactive in Eschool Plus 6/10/2005.

- 6) - (5) Student inactive in Eschool Plus 6/10/2005.

The school accurately reflected in Eschool plus that the students would no longer be attending Claymont Elementary School. Although students were labeled as inactive the students still showed up in DOE's report "students behind the numbers." The school had no idea that the students were showing up on this report and when they ran September 30th lists at the school these students did not show up. The District Unit Count Coordinator was never given information that the DOE list did not mirror exactly lists printed at the school level.

Lombardy Elementary

- 1) - (Pre-K) Student is a PreK student eligible to receive services from a Speech Therapist.

The District believes this student should be counted, as he is deemed eligible to receive speech therapy services.

- 2) - (K) Student was receiving speech services in FY 2004-05 as a three year old. She was entered in Eschool as a "Z" calendar and BK (Before Kindergarten). Eschool bumped her up automatically to KN (Kindergarten) for the 2005-06 school year. She is currently 4 years old and receiving speech therapy services at Lombardy.

The District feels this student should be counted, as the child is eligible and receiving services at Lombardy as a BK student.

- 3) - (1) Student's mother gave the school a note on September 22, 2005 stating that last day would be Tuesday, September 27th. Student was not withdrawn until October 3, 2005.

The student should have been withdrawn from Eschool on September 27, 2005.

Mount Pleasant High School

- 1) - (9) Student was withdrawn from Eschool plus on 6/10/2005.

The issue here, once again, involves the fact that the student should never have been on Mt. Pleasant High School's "names behind the numbers" report in the DOE unit count. Neither the school, nor the District Unit Count Coordinator, were given any evidence that Eschool records and the "names behind the numbers" report were not exact replicas of one another.

Brandywood Elementary

- 1) - (2) : was a student registered at Brandywood

Elementary on August 12, 2005. Child was suspected to have learning problems. Special education information entered on eSchool. IEP meeting for student was not held until October 14, 2005.

The District feels this student should be counted as a regular education student at Brandywood.

Harlan Elementary

- 1) - (5) Student was enrolled at Harlan on August 29, 2005. Student was in attendance every student day through and including September 30, 2005. Student was signed out for early dismissal on September 30th at 11:27 a.m. State auditor was given a copy of a spelling test for the student administered on September 30th.

The District feels this student should be counted. The student was in attendance through and including September 30, 2005.

- 2) - (4) Student attended school each day of September 29, 2005. Student had unexcused absence on September 30, 2005. Fax received on September 30, 2005 from Avon Grove School District with 9-30-05 at 1:47 a.m. Secretarial staff at Harlan Elementary do not recall seeing the fax during school hours on September 30th.

The District feels this student should be counted. The student was in attendance through and including September 29, 2005. The school assumed that the student was absent on September 30, 2005 and there is no evidence of the exact time that the fax was received from Avon Grove and staff members say they did not recall seeing the fax during school hours on September 30, 2005.

- 3) - (4) Student was withdrawn from Eschool plus on August 29, 2005.
- 4) - (6) Student at Harlan in sixth grade the previous year. Student did not appear on eSchool records or reports at the school. Brought to DOE's attention by the Unit Count Coordinator after being notified by the Principal of discrepancy between school reports and names behind the numbers report on October 24, 2005.
- 5) - (6) Student at Harlan in sixth grade the previous year. Student did not appear on eSchool records or reports at the school. Brought to DOE's attention by the Unit Count Coordinator after being notified by the Principal

of discrepancy between school reports and names
behind the numbers report on October 24, 2005.

The issue, once again, involves the fact that the student was never on Harlan's Eschool records but showed up on the "names behind the numbers" report in the DOE unit count. In Harlan's case, the Unit Count Coordinator, e-mailed DOE on October 25, 2005 after being notified by the Principal that he noticed the school's September 30th report he signed on October 21, 2005, with the "names behind the numbers" report was not the same as the September 30th reports at the school. Prior to this time, the CFO, Unit Count Coordinator nor Principals were aware that the Eschool records and the "names behind the numbers" report were not exact replicas of one another.

Talley Middle School

- 1) - (8) Student was enrolled at the beginning of the year. He attended school regularly from September 21 through November 18, 2005. Withdraw date on eSchool is 11/18/05.

The District feels this student should be counted. The student was in attendance through and including September 30, 2005. The District had no evidence on September 30th that the child would withdraw in November and not attend Talley for the full school year.

Springer Middle School

- 1) - (7) Student never attended school at Springer. Withdrawn from eSchool August 29, 2005.

Once again, the school withdrew the student from eSchool on August 29, 2005. He did show up on DOE's "names behind the numbers" report not on Springer school reports.

- 2) - (7) Student never attended school at Springer. Withdrawn from eSchool August 29, 2005.

The school withdrew the student from eSchool on August 29, 2005. He did show up on DOE's "names behind the numbers" report not on Springer school reports.

- 3) - (7) Student never attended school at Springer. Withdrawn from eSchool August 29, 2005.

The school withdrew the student from eSchool on August 29, 2005. He did show up on DOE's "names behind the numbers" report not on Springer school reports.

- 4) - (7) Student never attended school at Springer. Withdrawn from eSchool August 29, 2005.

The school withdrew the student from eSchool on August 29, 2005. He did show up on DOE's "names behind the numbers" report not on Springer school reports.

- 5) – (7) Student never attended school at Springer. Withdrawn from eSchool August 29, 2005.

The school withdrew the student from eSchool on August 29, 2005. He did show up on DOE's "names behind the numbers" report not on Springer school reports.

- 6) – (7) Student never attended school at Springer. Withdrawn from eSchool August 29, 2005.

The school withdrew the student from eSchool on August 29, 2005. She did show up on DOE's "names behind the numbers" report not on Springer school reports.

- 7) – (7) Student never attended school at Springer. Withdrawn from eSchool August 29, 2005.

The school withdrew the student from eSchool on August 29, 2005. He did show up on DOE's "names behind the numbers" report not on Springer school reports.

Agreed Upon Procedure Number 3:

No response required.

Authorized Positions

Agreed Upon Procedure Numbers 1 & 2: Determine if the District's control procedures for monitoring, tracking and reconciling the number of employees are adequate.
Determine if the District's control procedures for monitoring and tracking salaries charged to the State's General fund are adequate.

Finding:

The District's written procedures are insufficient and need to include more specific references and detail.

District Response:

The district is currently developing more detailed written procedures. However, based on the lack of findings of any significance the district strongly believes that its current practices with respect to reconciliation are more than adequate.

Agreed Upon Procedure Number 3: Compare the number of paid positions by category to the number of authorized positions per 14 DE Code, Chapters 13 and 17.

Finding:

The District under utilized state units by 8.80 and needs to maintain on-going reconciliation of authorized and actual positions.

District Response:

As the auditors note, of the 8.80 units, 7.00 were custodial units filled after the comparison of paid positions based on one payroll in January. The district was well aware that these positions were vacant. Two (2.0) teaching positions were vacant and posted at the time and were subsequently filled. Given this, the district strongly asserts that an accumulated variance of 0.20 of a unit in a district of 1,400 FTE's reflects more than adequate reconciliation of authorized to actual positions.

Agreed Upon Procedure Number 4: Recalculate the annual salary of the following selected positions to determine if employees were paid in accordance with 14 DE Code, Chapter 13.

Finding:

The District under charged the state \$1,006.76 in eligible funding based on an error in the calculation of the responsibility index for two principals. Note that the principals' salaries were correct but the state and local share was incorrect.

District Response:

The district has corrected the responsibility index.

Occupational-Vocational Unit Division II Funds

Agreed Upon Procedure Number 1:

No response required.

Agreed Upon Procedure Number 2: Review expenditure documents to determine if FY04 and FY05 occupational vocational funds expended from July 1, 2004 through June 30, 2005 were (1) expended for state approved occupational-vocational courses and programs within the District and (2) supported by adequate documentation and (3) properly coded in DFMS.

Finding:

One expenditure was charged without a CIP number and one was coded inappropriately to vocational funds, for a total of \$3,757.85.

District Response:

The district will repay the state. The district has reinforced internal procedures with respect to CIP documentation.

Agreed Upon Procedure Number 3: Review the financial records to determine if FY04 and FY05 occupational vocational funds were properly allocated to and spent by the schools within the District that generated the funding.

Finding:

For FY 05 final allocations varied between \$28 and \$1,159 from state authorized amounts.

District Response:

The district has corrected these allocations. However, as the auditors note, the District did not receive final allocations from DOE until March 7, 2005 – three months from the end of the fiscal year and three months after the district approved its Final Budget. If the state expects a precise allocation, it is critical for the Department of Education to provide final allocations in advance of the district's Final Budget in December.

Auditor Response:

Claymont Elementary School	Documentation provided to the auditor indicated a withdrawal date of September 30, 2005. The District should resolve this students' status with DOE.
Lombardy Elementary School	The principal response to the auditor's inquiries were that these students "should not have been on the count" The District should resolve these students' status with DOE.
David Harlan Elementary School	<p>Documentation provided to the auditor indicated a withdrawal date of September 30, 2005 for both of these students.</p> <p>Auditor recalls the spelling test contained a date of September 29, 2005 and therefore did not take a copy of it as it would not support attendance on September 30.</p> <p>Had the school maintained the required attendance records, obtained the transfer documentation and entered data in a timely manner, (instead of batch processing withdrawals) the confusion surrounding these students would not exist.</p> <p>The District should resolve these students' status with DOE.</p>
Talley Middle School	Documentation provided to the auditor showed a withdrawal date of August 29, 2005 and excused absences during September 2005. The District should resolve this student's status with DOE.